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INCOMING TELEGRAM

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AMEMBASSY PORT OF SPAIN

C O N F I D E N T I A L SECTION 1 OF 2 KINGSTON 2455

E.O.12065: GDS 4/1/86 (LAWRENCE L) OR-AMB
TAGS: PINT, JM
SUBJECT: SEAGA LAUNCHES ELECTION CAMPAIGN

1. (U) SUMMARY EDWARD SEAGA CONTINUED HIS CAMPAIGN FOR THE ANTICIPATED JULY/AUGUST ELECTION WITH A BLISTERING ATTACK ON THE GOVERNMENT'S PROPOSED SOLUTION TO JAMAICA'S ECONOMIC DIFFICULTIES, AS WELL AS ITS PAST PERFORMANCE. THE OPPOSITION LEADER WARNED THAT THE GOVERNMENT'S ALTERNATIVE PLAN WOULD RESULT IN MASSIVE ECONOMIC DISLOCATIONS INCLUDING SERIOUS UNEMPLOYMENT, SHORTAGES AND INFLATION. SEAGA PREDICTED THAT THE GOJ WILL DEFAULT ON ITS FOREIGN DEBTS AND LOSE ALL OPPORTUNITIES TO GET CREDIT ABROAD. ACCORDING TO THE JLP LEADER, THE GOVERNMENT WILL RESORT TO PRINTING MONEY AND ATTEMPT TO BUY THE ELECTION. THE PATH THE GOVERNMENT IS TAKING HAD OCCURED AS A RESULT OF A COMMUNIST TAKE OVER, IN SEAGA'S OPINION. HE POSTULATED THAT THE GOVERNMENT IS NOW ISOLATED AND DESPERATE AND READ FROM A PURPORTED PEOPLE'S NATIONAL PARTY (PNP) DOCUMENT WHICH HAD THE PNP LOSING THE UPCOMING ELECTION BADLY. END SUMMARY.

2. (U) JAMAICA LABOUR PARTY (JLP) LEADER EDWARD SEAGA PREDICTED IN A RADIO SPEECH MARCH 30 THAT THE JAMAICAN GOVERNMENT'S DECISION TO ABANDON NEGOTIATIONS WITH THE IMF WOULD CAUSE THIS COUNTRY TO SUFFER MORE THAN IT EVER SUFFERED BEFORE". ADDRESSING THE SUBJECT OF THE PNP'S "ALTERNATIVE ECONOMIC PLAN", THE OPPOSITION LEADER WARNED THAT 30,000 WORKERS WILL LOSE THEIR JOBS, THAT INFLATION AND SHORTAGES WILL BE CHRONIC, THAT AGRICULTURAL PRODUCTION WILL COME TO A STANDSTILL AND THAT THOSE GRADUATING FROM SCHOOLS WILL LOSE ALL HOPE OF FINDING EMPLOYMENT. SEAGA DESCRIBED THE ALTERNATIVE PLAN AS BASED ON A HOPE AND A PRAYER,- THE HOPE THAT OTHER COUNTRES WILL NOW COME TO JAMAICA'S AID AND THE PRAYER THAT THE GOVERNMENT WILL "EXERCISE THE SELF-DISCIPLINE, GOOD FINANCIAL SENSE AND MANAGEMENT WHICH IT HAS FAILED TO DISPLAY IN THEIR LAST EIGHT YEARS."

3. (U) CITING A DOCUMENT WHICH HE SAID WAS USED IN THE GOVERNING PEOPLE'S NATIONAL PARTY (PNP) EXECUTIVE COUNCIL MEETING OF MARCH 22, SEAGA CLAIMED THAT THE GOVERNMENT PLANNED TO IGNORE A U.S. $200 MILLION DEFICIT IN THE FOREIGN EXCHANGE BUDGET (I.E. A NON IMF BUDGET). THIS AMOUNT APPROXIMATELY CORRESPONDS TO JAMAICA'S FOREIGN DEBT REPAYMENT NEEDS (WITHOUT THE IMF) AND THE OPPOSITION LEADER CLAIMED THE PNP'S PLAN WAS TO SIMPLY DEFAULT ON THEIR DEBT. THIS STRATEGY WILL CAUSE ALL FOREIGN SOURCES OF CREDIT TO DRY UP IMMEDIATELY. THE CUT-OFF OF CREDIT IN THE AREA OF PRIVATE FINANCING, HE SAID, WILL HAVE A DEVASTATING EFFECT ON PRODUCTION AS THIS MONEY IS THE MAJOR SOURCE OF RAW MATERIALS FOR JAMAICA'S FACTORIES. THE PNP'S PLAN WILL DIRECT THIS LOSS OF FOREIGN EXCHANGE TOWARDS THOSE COMPANIES WHICH DO NOT PRODUCE FOR EXPORT ACCORDING TO SEAGA. HE SAID THE END RESULT WILL BE A MASSIVE LOSS OF JOBS.

4. (U) THE OPPOSITION LEADER PREDICTED THAT THE CRUNCH FROM THE ALTERNATIVE PLAN WILL COME AROUND MID-YEAR. IN ORDER TO HIDE THE DESPERATE STATE OF THE ECONOMY, SEAGA CLAIMED THAT THE GOVERNMENT WILL PRINT UNBACKED OR "MONLEY" MONEY. THIS WILL RESULT IN INFLATION AS IT HAD WHEN THE PNP HAD USED A SIMILAR TACTIC BEFORE THE ELECTIONS OF 1976, ACCORDING TO THE JLP LEADER. THIS SUDDEN FLOW OF MONEY WILL BE USED IN ADDITION TO LAND DISTRIBUTION, THE LIFTING OF WAGE GUIDELINES, AND INCREASE IN GOVERNMENT JOB CREATION AND A RISE IN THE PRICES PAID TO FARMERS IN AN ATTEMPT TO BUY THE ELECTION ACCORDING TO SEAGA.

DEPARTMENT OF STATE A/ISDC/MR
REVIEWED BY RG DATE JUN 1982
RDS☐or XL3☐EXT. DATE
TS AUTH. REASON(S)
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5. (U) THE OPPOSITION LEADER ACCUSED THE PNP OF HAVING BECOME COMMUNIST. HE WARNED THAT THE PNP RADICALS DO NOT RESPECT DEMOCRATIC PRINCIPLES AND WOULD RESORT TO VIOLENCE AND INTIMIDATION AT ALL LEVELS. THE LEFT'S PLANS INCLUDE SETTING UP SYSTEMS AND ABRIDGING FREE SPEECH IN SEAGA'S VIEW. HE ACCUSED THE PRESENT PNP GOVERNMENT OF INTENDING TO HOLD POWER AT ANY COST OR, IN FAILING TO DO SO, RUINING THE ECONOMY SO AS TO MAKE IT IMPOSSIBLE TO HOPE FOR RECOVERY.

6. (U) THE MOST SURPRISING PART OF SEAGA'S SPEECH CAME WHEN HE BEGAN QUOTING FROM THE DOCUMENT PURPORTED TO BE FROM THE MARCH 22 PNP MEETING. THE EXCERPT QUOTED, READ IN PART:
"IN THE PERIOD DECEMBER 1976 TO MARCH 1980 (39 MONTHS) THE PARTY AND GOVERNMENT WHICH TRIUMPHED MAGNIFICENTLY AND OBTAINED A CLEAR MANDATE FROM THE MASSES OF THE PEOPLE, HAS MANAGED TO LOSE THE PEOPLE'S CONFIDENCE. WORSE THAN THAT, THE GOVERNMENT HAS MANAGED TO ERODE THE SELF CONFIDENCE OF THE PEOPLE AND HAS PLACED THE CONTINUED DEVELOPMENT OF THE SOCIALIST PROCESS IN SEVERE JEOPARDY.
" THE FEBRUARY 1980 SITUATION REVEALS THAT THE PARTY WOULD SUFFER A MASSIVE DEFEAT AT THE POLLS. .T IS POSSIBLE THAT THE ABOVE ESTIMATE OF THE SWING IS CONSERVATIVE SINCE OTHER POLLS (E.G. CARL STONE NOVEMBER/DECEMBER 1979, ROBERTSON, DECEMBER 1979) ESTIMATE THE NEGATIVE SWING AT BETWEEN 10 -15 PER CENT. SWINGS OF THIS MAGNITUDE COULD RESULT IN THE PARTY LOSING BETWEEN 30-36 SEATS. IT SHOULD ALSO BE REMEMBERED THAT THE FEBRUARY 1980 RESPONSE PROBABLY RESULTED FROM A FOCUSSING OF THE ECONOMIC ISSUE. IF THIS ISSUE IS AGAIN DEFOCUSSED THEN THE NEGATIVE SWING WILL NO DOUBT WIDEN. THE PARTY THUS FACES THE CLEAR POSSIBILITY OF DECIMATION AT THE POLLS. THE VERY SURVIVAL OF THE PARTY COULD BE AT STAKE.
"APPENDIX 3 DEMONSTRATES THAT NOT ONLY HAS THE PARTY LOST GROUND AMONG THE MIDDLE/UPPER CLASS AS MIGHT HAVE BEEN EXPECTED, BUT HAS EXPERIENCED SERIOUS SLIPPAGE IN THE AREA OF WORKING CLASS AND SMALL FARMER SUPPORT. SUPPORT AMONG THE WORKING CLASS IS ESTIMATED TO HAVE DECLINED FROM 60 PER CENT TO 37.5 PER CENT WHILE THE DECLINE AMONG THE SMALL FARMERS IS ESTIMATED TO HAVE BE[illegible] FROM 45 TO 27 PERCENT. WHAT IS QUITE SIGNIFICANT IS THE SIZE OF THE UNDECIDED VOTE AMONG WORKERS (37T PER CENT) AND SMALL FARMERS (31 ERCENT). THIS DATA INDICATES THAT AT SEPTEMBER '78 THESE TWO MAJOR CLASSES, THOUGH DISILLUSIONED WITH THE PNP, WERE NOT ATTRACTED TO THE JLP. AT SEPTEMBER '79 THEREFORE, ON THE BASIS OF THE DATA) THE PNP STILL HAD THE OPPORTUNITY TO WIN AN ELECTION. THE DATA IN APPENDIX 1 INDICATES THAT THE PARTY HAS, IN ALL PROBABILITY, FORFEITED THIS OPPORTUNITY AND IS NOW FIRMLY ON THE ROAD TO A MASSIVE AND MOST INGLORIOUS POLITICAL DEFEAT."
SEAGA TOOK PAINS TO POINT OUT THAT THESE WORDS WERE TAKEN FROM A PNP DOCUMENT AND NOT FROM HIS OWN PARTY'S LITERATURE.

7. (C) COMMENT: SEAGA SPEECH WAS A GOOD INDICATION OF THE JLP'S CURRENT ELECTORAL STRATEGY, I.E. HIT THE GOVERNMENT BOTH FOR ITS ECONOMIC FAILURE AND ITS SUDDEN SWING TO THE LEFT. THE EMBASSY HAS OBTAINED A COPY OF THE PNP DOCUMENT SEAGA CONTINUALLY CITED. HE IN NO WAY DISTORTED ITS CONTENTS THOUGH HE OBVIOUSLY DREW HIS OWN CONCLUSIONS. THE SPEECH WAS VINTAGE SEAGA AND SHOWS HI TO BE IN FINE FORM AND CONFIDENT ABOUT HIS PROSPECTS FOR A ELECTORAL VICTORY END COMMENT.
LAWRENCE

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